

ROU Brief - 1/31/96

For: AVP/RSM/RBM/ROM/KAM/RM-DFM/MC/PC/PRC/SC

FSC-14-A

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I. DISTRIBUTE TO ALL FIELD SALES PERSONNEL

WORKPLAN

➔ DORAL & Co. - 1995 Review

Many of you have inquired about the results of the DORAL & Co. 1995 program. Listed below is a recap of the 1995 results:

Our objective with DORAL & Co. is to assist the field's efforts in defending and building volume on DORAL. DORAL is the true friend of value-oriented smokers and DORAL & Co. takes that positioning one step further by showing our smokers that DORAL does business differently by giving the smoker more than just a great price. DORAL & Co. offers adult smokers:

- Bonus coupons
- The DORAL & Co. Free Carton Offer
- Smokers' Rights Programs
- Exclusive promotions and more!

Summary of 1995 Results

- In 1995, DORAL & Co. was mailed to over 1MM franchise adult smokers and over 200M competitive smokers.
- Among **franchise** DORAL & Co. achieved significant volume retention and positively shifted their attitudes and perceptions about DORAL.
- Incremental volume and 15% conversion among **occasional smokers** was accomplished.
- Significant volume/perception shifts among **competitive smokers** was also realized. In fact, our research proved that the field's efforts doing consumer mission and personal selling was very effective. Personally talking to a competitive smoker, selling them on the three key propositions DORAL has to offer - a new blend, a premium taste guarantee and DORAL & Co. then mailing them DORAL & Co., really works to convert. **We saw almost a 20% conversion rate on competitive smokers who had been personally sold at retail.**

1996 Plan Summary

To continue to defend and build DORAL's volume, DORAL & Co. will mail to over 1.3MM franchise smokers and over 400M competitive smokers. DORAL & Co. will reach 40% of its franchise buyer base. DORAL & Co. will mail quarterly to franchise adult smokers, more frequently to occasional smokers, and a lucrative year-long competitive conversion program will help support your on-going tremendous effort on DORAL at retail.

ROU Program Contact: Sharon Reid, extension #2584

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II. ROU DETAIL

SYSTEMS/ADMINISTRATION

➔ Addition of Property Tax Group Code to Master List Account Selection Menu

Effective immediately, a "Property Tax Group Code" section has been added to the "Master List Account Selection Menu". This code is to be used specifically for property tax record purposes and should not be used without consulting personnel in the RJRT Tax Department.

When it becomes necessary to designate accounts as being in a specific property tax jurisdiction, the appropriate ROU will be contacted and will be involved in the inclusion of this information, if the taxing jurisdiction falls within their territory.

Please advise all sales personnel of this change.

Program Contacts: Kay Wagner, extension #0265
Bill Ervin, extension #0263

BEST PRACTICES

- ➔ Account Manager Les Springer of the Norfolk Chain has developed a procedure based upon coupon redemption to build his "Deeper Promotion Coverage" (DPC) universe. He reviews a listing of accounts with weekly carton volume of 100 cartons or less in his area that have redeemed RJR coupons within the last few months. This criteria helps identify lower volume accounts promoting our cigarettes.

As a result of Les' recommendation, we have developed coupon redemption statistics by region which will be mailed to you shortly. Twenty PC diskettes have been loaded with Excel spreadsheets listing redemption history by regions for accounts with a weekly carton volume of 100 or less. The redemption period used for the report is July 1995 through December 1995. Each diskette is labeled with Region Number and File Name.

The following is an example of the spreadsheet:

Retailers with Weekly Carton Volume of 100 Cartons or Less Coupon Redemption Processing Period = July 1995 through December 1995 Region #11					
Division #	Account #	Account Name	Weekly Ctn Volume	# of Coupon Submissions	Total Dollars Paid
22	21368	THE VILLAGE MARKET #789	80	2	5.79
22	21742	DOVER PAINT & VARNIS	40	1	6.56
22	25179	EAST NEWPORT GROCERY	60	3	10.92
22	42219	MACDONALDS MEAT MKT.	20	1	117.64

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